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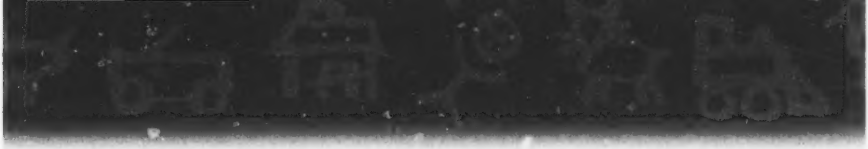
The National Child Benefit

What it Means for Canadian Families



July, 1999

This document is also available on the federal/provincial/territorial Internet website at: http://socialunion.gc.ca

Catalogue No: MP43-400\1999E

ISBN: 0-662-27984-0

Le version française de ce document peut être obtenue sur demande.

A Message from Ministers Responsible for Social Services

The federal, provincial and territorial governments have been working together on behalf of Canadian children[1]. In recent years, we have made important changes to help support families and their children, especially those living on low income.

Our joint efforts have resulted in an important national initiative: the National Child Benefit (NCB). The National Child Benefit is an investment in children who are growing up in low-income families. It builds on the $7 billion per year that Canadian governments were already providing in income support for families with children. This booklet includes important new information about our efforts.

We are proud of what the National Child Benefit is accomplishing and we hope this booklet helps you learn more about this major national initiative.

The National Child Benefit

[1] The Government of Quebec agrees with the principles of the National Child Benefit, but has chosen to not take part in the development of the initiative. Any reference in this booklet to joint federal-provincial-territorial positions does not include Quebec.

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Taking Action Against Child Poverty

Canadian governments have joined together to help make sure all families have a chance to participate fully in society. The National Child Benefit is helping in these efforts by providing essential benefits and services to low-income families.

More and more, people understand that childhood experiences influence success and happiness later in life. Many things affect these experiences, including parenting, family and community supports, income and social services. Families living on low incomes often face particular challenges in meeting the needs of their children. Financial support, social services and early intervention can help address some of the difficulties that might otherwise lead to a need for costly services later in life.

The National Child Benefit aims to help prevent and reduce the depth of child poverty, and help parents find and keep jobs by providing benefits and services that better support low-income families and their children.

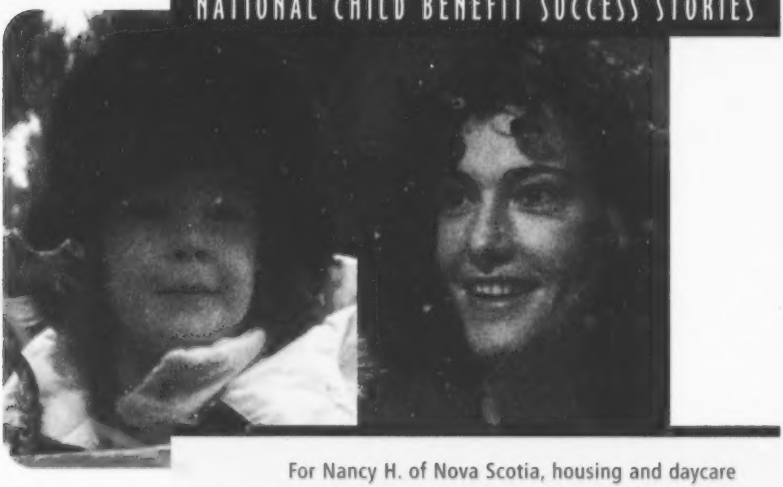
Lowering the Welfare Wall

Families receiving social assistance often find it difficult to make the transition from welfare to work without losing benefits for their children. Compared to families on welfare, low-income working families may not be eligible for benefits and services provided through social assistance, such as free dental and prescription drug coverage. Wages earned through employment are not always enough to replace these lost benefits and pay increased employment costs, such as transportation, child care and work clothing.

These barriers to employment form a 'welfare wall', which prevents some families from leaving social assistance and makes it difficult for working families to obtain the supports they need for their children.

The National Child Benefit is helping to ensure that low-income families are better off in jobs. The NCB provides additional financial supports for these families along with benefits and services to help them stay in the workforce. The NCB has also begun to move child benefits out of the welfare system, so that when parents leave social assistance for work, they keep these benefits for their children.

NATIONAL CHILD BENEFIT SUCCESS STORIES



For Nancy H. of Nova Scotia, housing and daycare costs alone were eating up all her take-home pay. She was depressed by her situation and considered leaving her job, removing her daughter from daycare and going on social assistance.

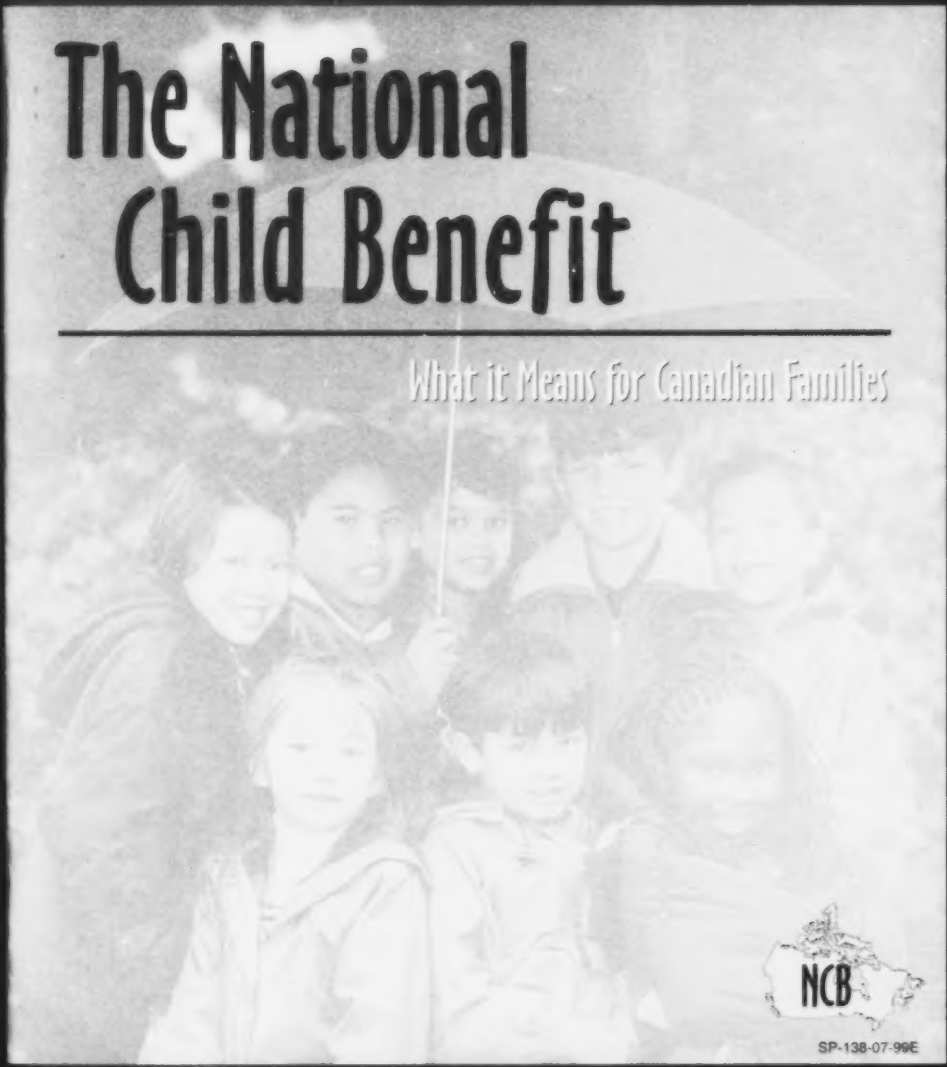
But through the National Child Benefit, the Nova Scotia government created more subsidized daycare spaces and gave parents like Nancy new options and peace of mind.

"It has enabled me to stay at work, not be stressed out and stay in daycare," she explained. "Knowing that she's secure when I leave is priceless."

As the single mother of a pre-schooler, Nancy values the independence a steady job gives her. She believes it's important for society to address families' needs early, rather than apply band-aid solutions later. "Parents are accountable, so let's start helping them early rather than later. Everything is better when you have a better start in life."

The National Child Benefit

What it Means for Canadian Families



NCB

SP-138-07-99E

The National Child Benefit

The National Child Benefit helps low-income Canadian families in two ways:

1. The Government of Canada is increasing federal benefits for all low-income families with children. These benefits provide greater financial support for low-income families.

2. Provinces, territories and First Nations are investing in new and expanded programs and services to help all low-income families find and keep jobs and to help support their children. In response to the federal increase in benefits, jurisdictions have adjusted the support they provide through social assistance or other income support programs. The funds made available through these adjustments have been reinvested in benefits and services for low-income families. Many provinces and territories have also invested additional money to complement and enhance their National Child Benefit reinvestments.

How the National Child Benefit Works

Government of Canada increases Canada Child Tax Benefit (CCTB)

All low-income Canadian families

a) Working

b) Receiving social assistance

Low-income working families keep the entire CCTB increase

Provinces, territories and First Nations may:

a) Reduce social assistance by the same amount as the CCTB increase

and/or

b) Invest additional funds in the NCB

Provinces, territories and First Nations reinvest in improved benefits and services for low-income families with children, in response to local needs and priorities

Improved Government of Canada Benefits

Starting in July 1998, the Government of Canada increased the Canada Child Tax Benefit (CCTB) for low-income families by adding the new National Child Benefit Supplement. This resulted in an increase in Government of Canada benefits for about 1.4 million Canadian families with 2.5 million children.

In its 1999 budget, the Government of Canada announced further increases to the National Child Benefit Supplement, taking effect in July 1999 and July 2000. In July 1999, the maximum supplement increased by $180 per child per year.

Maximum Annual Benefits - July 1999

NEW

	Base Canada Child Tax Benefit*	+	National Child Benefit Supplement	=	Total Canada Child Tax Benefit
1 child	$1,020		$785		$1,805
2 children	$2,040		$1,370		$3,410
3 children	$3,135		$1,880		$5,015
4 children	$4,230		$2,390		$6,620

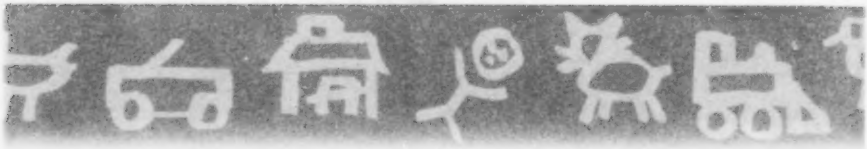
In July 2000, the supplement will increase by another $170 per child per year.

In addition to increasing the amount paid, the benefit will also be paid to more families. Currently, the National Child Benefit Supplement is paid to families with incomes of up to $25,921 (for families with up to three children). In July 1999, the National Child Benefit Supplement will be paid to families with incomes up to $27,750 and in July 2000, the income level will be extended further to $29,590.

The Canada Child Tax Benefit provides an important foundation for Canadian families. Under this new system, low-income working parents receive more support, and families on welfare will find it easier to move from welfare to work and keep their benefits.

With these changes, the Government of Canada has taken on a greater role in providing basic income support for low-income families with children. As the National Child Benefit Supplement increases, provinces, territories and First Nations are creating new programs and services aimed at meeting the objectives of the National Child Benefit.

*Recipients in Alberta receive different maximum amounts depending on the age of their children.



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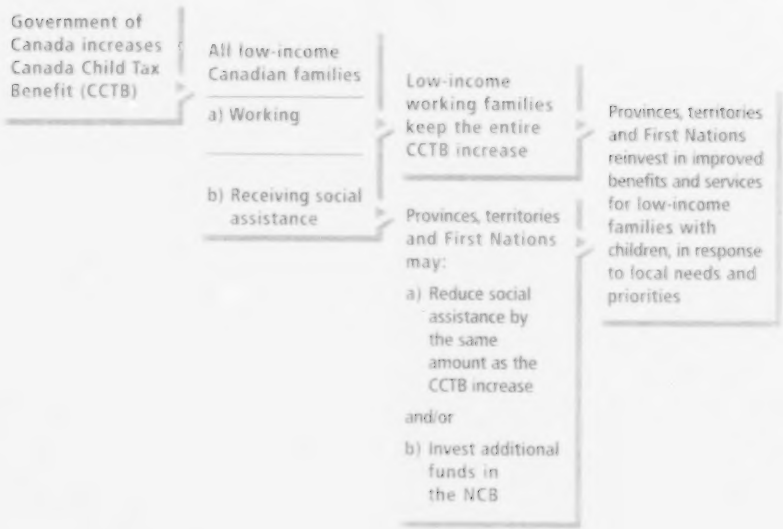
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NATIONAL CHILD BENEFIT SUCCESS STORIES

Megan S. is a single mother who returned to live in Alberta in 1998 to be with her recently widowed mother. Soon after arriving, she learned that her young son needed over $800 worth of dental work.

At the time, Megan was working part-time in temporary jobs and couldn't afford the dental bills. She applied for the Alberta Child Health Benefit, one of Alberta's reinvestment initiatives under the National Child Benefit. Thanks to this extended health benefit, her son's dental bills were covered and she didn't need to turn to welfare for assistance.

Nearly a year later, Megan is working full-time and will soon receive extended health coverage for herself and her son through her employer. It's an example of how the National Child Benefit is helping families remain independent and ensuring children in low-income families grow up strong and healthy.

What Provinces and Territories are Doing for Families

Provinces, territories and First Nations are reinvesting funds made available through the National Child Benefit into benefits and services for children in low-income families. Flexibility is an important aspect of the National Child Benefit partnership: provincial and territorial governments are able to deliver the National Child Benefit in ways that best respond to their regional needs and priorities. Key reinvestments include:

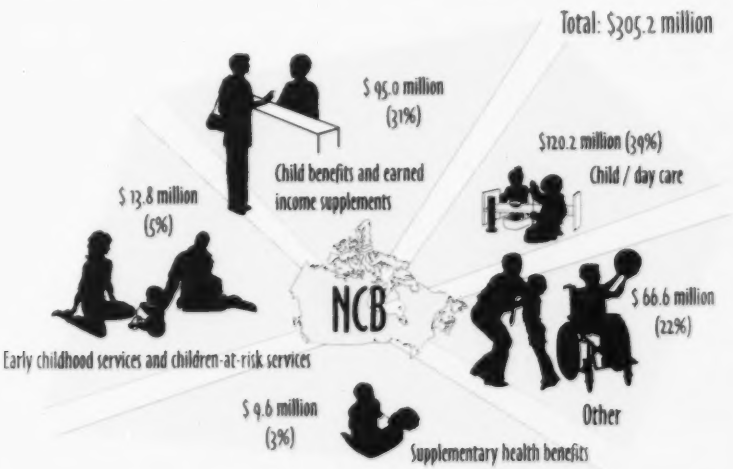
Child Benefits and Earned Income Supplements:
Cash benefits provided regardless of the family's source of income or earned income supplements paid to low-income working families to help with the added costs of employment.

Child Care:
More spaces and/or reduced cost of child care for low-income working families.

Early Childhood Services and Children-At-Risk Services:
Early intervention programs to help give children a healthy start in life, such as nutrition programs, prenatal screening programs, recreation programs, and youth community programs.

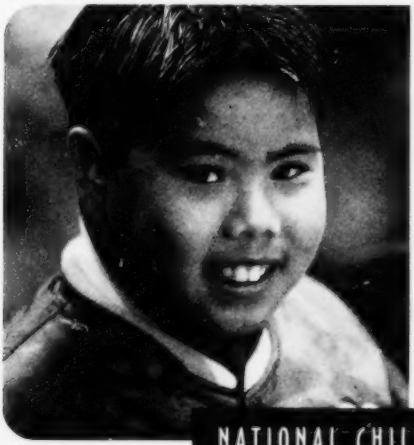
Supplementary Health Benefits:
Additional benefits for children in low-income working families. These may include coverage of prescription drugs, dental and optical care.

As additional reinvestment funds become available, provinces, territories and First Nations will continue to build their investments in children and youth.



First Nations

First Nations play a significant role in the National Child Benefit. The flexibility of the NCB allows First Nations that have responsibility for social assistance to make choices that fit their own priorities within the overall goals of the initiative. Like most provinces and territories, those First Nations have adjusted social assistance payments and reinvested the savings in programs and services that meet the needs of low-income families with children. A wide variety of innovative reinvestment initiatives has been developed in First Nations communities, including income support, child care, child nutrition, parenting, family services, recreation, youth development, clothing outlets and training and employability skills.



NATIONAL CHILD BENEFIT SUCCESS STORIES

The Samson Cree Nation in Alberta launched the Healthy Families Project in January 1999. This preventative home visiting initiative seeks to ensure parents, particularly those at greatest risk, receive support and education prior to the birth of their child and throughout the first years of their child's life. Healthy Families has already accepted 23 families into the project and is working with these families to achieve positive outcomes for the parents and their children.

NATIONAL CHILD BENEFIT SUCCESS STORIES

As a first-time parent and homemaker, Noella S. was apprehensive about her new responsibilities. Manitoba's Women and Infant Nutrition (WIN) Program has helped.

The program is one of Manitoba's National Child Benefit reinvestment initiatives. It provides community-based workshops covering newborn care, nutrition, parenting, child development, meal planning and other topics. "I thought I knew all about caring for kids, but once I started going to the groups I found out I had a lot to learn," Noella said.

Noella describes the WIN workshops as "...fun and relaxed, sprinkled with a healthy mix of talking, laughing and learning. The program really showed me how to make my grocery money last and ways to minimize my bills."

For participating in WIN, Noella receives an additional income assistance benefit, payable up to her baby's first year. The extra money helps improve her access to nutritious foods during this critical stage of child development.

Keeping Canadians Informed

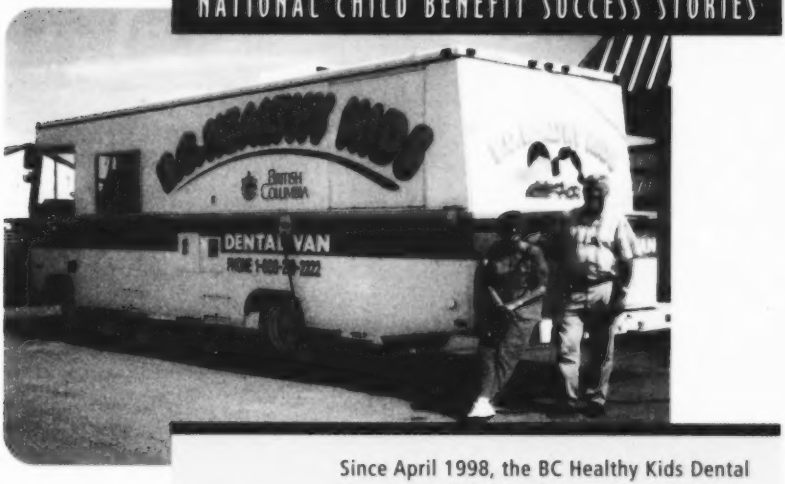
The federal, provincial and territorial governments are committed to reporting to the public on the progress of the National Child Benefit. In May 1999, the National Child Benefit Progress Report: 1999 was released. Through this and future reports, participating governments are providing information to the public in an open and responsive way.

Although it is early in the National Child Benefit's history, the federal, provincial and territorial governments believe it is already having a positive impact on the lives of Canadian children growing up in low-income families.

Canadian governments recognize that there is more to fighting child poverty than providing income support. The National Child Benefit represents a renewed partnership between federal, provincial and territorial governments, working together to give Canadian children better opportunities to succeed in life.

As Canada moves into a new millennium, a shared commitment to children is essential. By caring for them today, we are assuring a healthy and prosperous future for our country.

NATIONAL CHILD BENEFIT SUCCESS STORIES



Since April 1998, the BC Healthy Kids Dental Van – one of B.C.'s reinvestment initiatives under the National Child Benefit – has been travelling to rural B.C. communities where access to routine dental care is often limited. The husband and wife dental team saw more than 600 patients – 419 were children – in less than six months.

Here is a story about one of their patients: "On our first visit to Vanderhoof, we saw a young woman with wall-to-wall gum-line cavities. She was embarrassed, in pain and had no money. We treated her over the course of several appointments and she always seemed shy, almost terribly sullen. On our next visit, she dropped by the van with a friend to bring us a thank-you card. What was even better than the card was that her friend told us, 'Everyone calls her 'Smiley' now!' In all the time she had been in Vanderhoof, few people had ever seen her smile."

NATIONAL CHILD BENEFIT SUCCESS STORIES

Dean G. runs a freelance photography business in Ontario and Kim G. provides home daycare part-time. Their combined income of less than $25,000 pays the bills, and the added money provided through the National Child Benefit increases their income, helps them pay down debt and avoid social assistance.

"I haven't had to worry about everyone getting a balanced diet," Kim said, adding that the extra money she receives because of the National Child Benefit also enables her to take the children to the eye doctor or the dentist.

She is pleased to see the provincial government investing in programs for children, such as the Ontario Child Care Supplement for Working Families.

"I think government is acknowledging it's important for kids to have a stable base. It's important to put money into kids at the beginning of their lives," she said.

NATIONAL CHILD BENEFIT SUCCESS STORIES

Dorothy B. is a single mother who works in a New Brunswick restaurant. Her workday usually begins at 11:30 a.m. and ends at 7:30 p.m. "I used to send my child to a licensed daycare because then I could receive government assistance," said Dorothy. "But there was a big drawback. In the middle of working, I would have to make sure my two kids got to the babysitter's after the daycare closed. That was quite an inconvenience. And using two child care services was very expensive."

Dorothy's problem was solved when the New Brunswick government introduced Alternative Child Care Assistance as one of its contributions under the National Child Benefit initiative. The program allows Dorothy to leave her child with a babysitter and receive the same amount of financial assistance as she did when her child was in daycare.

Dorothy says, "Alternative Child Care Assistance solved my problems."

Next Steps

Starting in July 2000, the Government of Canada will increase funding for the National Child Benefit Supplement by another $425 million.

Provincial and territorial governments and First Nations on reserve will enhance their investments in services and supports for low-income families with children as funds are made available as a result of increased Government of Canada investments in the NCB.

The federal, provincial and territorial governments are continuing to work together to make sure the National Child Benefit makes a difference to children growing up in low-income families.

More Information/Copies

For more information please visit our Web site at http://socialunion.gc.ca. For additional copies of this booklet, please call (819) 994-6313.

National Child Benefit - Snapshot

What does the National Child Benefit (NCB) mean to me?

If you are a member of a low-income family with children, the NCB means more money from the Government of Canada and additional benefits and services from your province, territory or First Nation, such as child care or additional health benefits.

How do I apply for the National Child Benefit Supplement?

If you have applied for the Canada Child Tax Benefit and filed a tax return for last year, then you don't need to do anything else. Benefits are calculated automatically based on your (and your spouse's) tax returns. If you haven't applied for the Canada Child Tax Benefit, contact your local Revenue Canada office or call 1-800-387-1193 (English), 1-800-387-1194 (French).

How do I know what NCB programs are offered where I live?

You may already be benefiting from your province, territory or First Nation's NCB reinvestments. If you receive provincial/territorial child benefits, subsidized day care or early childhood development services, then you may be benefiting from the NCB, because many of these programs were expanded under this initiative. Contact your provincial or territorial social services ministry for more information.

How do families on welfare benefit from the NCB?

All low-income families receive the federal Canada Child Tax Benefit, whether they are employed or receiving social assistance. In addition, provinces, territories and First Nations offer programs and services to all low-income families, such as early childhood development programs or nutrition services. The NCB also helps families on social assistance make the transition from welfare to work by providing stable income support and other services for their children.

What's next for the NCB?

In July 1999, the Government of Canada will increase funding for the NCB by $180 per child per year. In July 2000, it will increase this by another $170. In addition, provinces, territories and First Nations will build on their investments in low-income families, children and youth.

How can I get more information on the NCB?

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